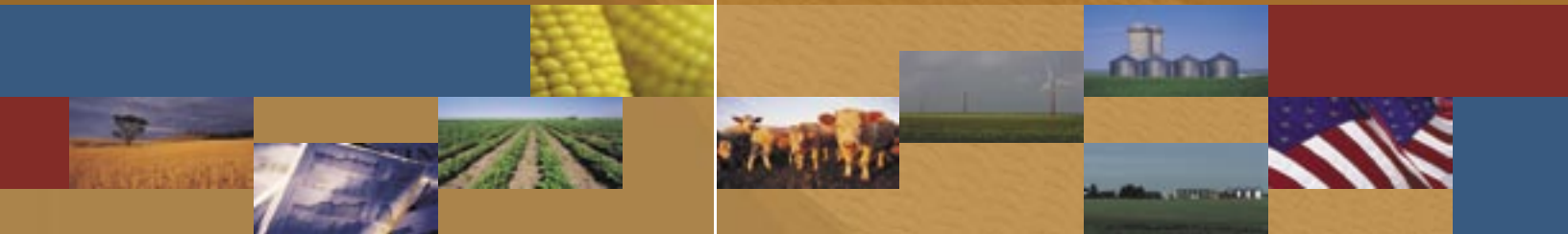


Congressman Gil Gutknecht
First District, Minnesota

Spring 2005

AGRICULTURE MATTERS





Congressman Gutknecht makes notes prior to speaking on the House floor.

Dear friend,

This year promises to be a busy year in agriculture. As you are back in the fields, I will continue working in the interest of Minnesota farmers.

As chairman of the House Agriculture Subcommittee on Department Operations, Oversight, Dairy, Nutrition and Forestry, one of my top priorities during the 109th Congress is to review the structure of our domestic dairy industry, to see how it facilitates or impedes the development of new products and markets. I will also be looking for opportunities to market our dairy products abroad.

Like dairy, forestry is an important sector of Minnesota. Later this year, I will hold discussions on implementation of the Healthy Forests Restoration Act and other issues before the National Forest System and the forest products industry.

The subcommittee will also closely monitor USDA's nutrition programs, especially those that relate to dietary guidelines, food assistance and issues of obesity.

I hope the enclosed information about current federal agriculture issues is helpful.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil".

Gil Gutknecht
Member of Congress

Increasing the use of renewable energy sources such as ethanol, biodiesel and wind has been at the forefront of discussions on a national energy policy. These talks have led to a comprehensive energy bill, which the House recently passed with my support. At a time when energy costs are skyrocketing, this legislation is critical. It will help address rising oil and natural gas prices for American consumers and will also utilize domestic energy sources.

Last year, 81 ethanol plants produced 3.41 billion gallons of the renewable fuel, helping to reduce oil imports by 143.3 million barrels and greenhouse gas emissions by 7 million tons. The nation also produces 30 million gallons of biodiesel. With the energy bill's renewable fuels standard, production of ethanol and biodiesel will continue to increase.

Economic benefits also come from the production of renewable energy. The ethanol industry, for example, generates more than \$25 billion in economic activity and supports nearly 150,000 jobs. With farmer-owned ethanol plants accounting for 40 percent of the industry's production, many of these benefits come to our rural communities. This is value-added agriculture at its best.



Learn more about the National
Renewable Energy Lab
at www.nrel.gov.

And visit the Department of Energy's
website at www.energy.gov for
more energy news.

Congressman Gutknecht learns first-hand about renewable fuels at the National Renewable Energy Laboratory in Golden Colorado (left). Congressman Gutknecht talks about the renewable fuels standard with members of the Farm Bureau in Mankato (right).



RURAL DEVELOPMENT

I'm proud that the federal government has made commitments to several southern Minnesota communities as part of USDA's Rural Development program:

The City of Lake Wilson and City of Jasper received federal taxpayer dollars to help purchase first responder vehicles and equipment.

The City of Adrian received a \$900,000 low-interest loan for a new city hall and community development center.

The Red Rock Rural Water project received a \$5 million low-interest loan and \$1.9 million grant for the expansion of the project, water tower and treatment plant. This will help provide a reliable water source for 460 users in Cottonwood County.

The Sleepy Eye Municipal Hospital received a \$4.5 million low-interest loan to help build a new clinic.

This strong commitment to rural development is ensuring the vitality of our rural communities.



Please feel free to visit

www.gil.house.gov

to read and sign up for

Gil's **E-Line**, a weekly update via e-mail.

Also, check out station times and information for Gil's **weekly radio show**, featuring your chance to call in with questions.

The questions related to beef and cattle trade with Canada and Japan have lingered for two years. In March, the House Agriculture Committee held a hearing to get a better understanding of these issues, particularly USDA's rule to allow imports of Canadian cattle. This hearing marked Secretary of Agriculture Mike Johanns' first testimony before the committee.

Unfortunately, this science-based rule has not gone into effect as scheduled. The discovery of a Canadian-born BSE-positive cow in the United States in December 2003 created concerns among our customers. I remain confident and supportive of USDA's efforts to re-open lost markets.

I, along with 30 of my colleagues, co-sponsored a resolution that calls on the United States Trade Representative to impose retaliatory economic measures on Japan if its government continues to delay its obligations to resume beef imports from the United States. U.S. beef is the safest, highest quality in the world. I will continue to support efforts to open this and other markets to our producers.



Congressman Gutknecht visits with constituents after presenting a USDA Rural Development check to the City of Adrian (left). Congressman Gutknecht visits with representatives of the Lewis and Clark Rural Water System in Windom (right).

And visit the USDA's website at
www.usda.gov for more ag news.

Check out the House Ag Committee's website at **agriculture.house.gov** for further information on these and other issues, along with the topics and schedules for upcoming hearings.





COMMITMENT

In 2002, President Bush and Congress made a commitment to rural America by enacting the Farm Bill. The Farm Security and Rural Investment Act of 2002 (P.L. 107-171) has been a great success. Not only has it served as a framework for American agriculture, but it has also cost less than was estimated. This has been a marriage of good public policy and fiscal restraint. I'm pleased the Farm Bill is working for First District farmers. Within the budget constraints we are given, we will maintain our commitment to rural America.

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*Don't hesitate to
contact me if I can
be of assistance!*
Gil

In the past couple years, we have seen net farm income at all time highs and many commodities are experiencing record highs in prices. Plus, the Farm Bill is saving taxpayers money. Recently, the chief economist for the USDA projected that the Farm Bill will save taxpayers an estimated \$20 billion.

I voted against the House budget resolution. During times of record deficits, all areas of government must be considered for spending reductions. I often say budgets are about setting priorities. Over the past three years, the Farm Bill has helped create millions of jobs and trillions of dollars in economic activity. Farmers are willing to do their share to help balance the budget. They understand that the price of continuing massive deficits will be higher interest rates and slower economic growth. We on the House Agriculture Committee are committed to a fair and balanced approach to any changes.



Congressman Gutknecht joins House Agriculture Committee Chairman Bob Goodlatte and other Members of Congress to discuss international trade during a visit to Europe this spring (left). Congressman Gutknecht looks on as Agriculture Secretary Mike Johanns and Governor Tim Pawlenty sign the historic CREP II agreement on Earth Day near Ellendale (right).



Congressman Gil Gutknecht
Congress of the United States
U.S. House of Representatives
Washington, DC 20515

*This mailing was prepared, published
and mailed at taxpayer expense.*

A handwritten signature in black ink that reads "Gil Gutknecht". The signature is fluid and cursive, with the first name "Gil" and last name "Gutknecht" clearly legible.

MC

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with soybean-based ink.